



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

m/043/004

March 26, 2001

TO: Wayne Hedberg, Minerals Permit Supervisor *DWH*

FROM: Steve Schneider, O&G Audit Manager *Steve*

RE: 2000 Utelite Corporation Financial Statements

Per your request, I have reviewed the 2000 Utelite Corporation ("Utelite") financial statements. This was another good financial year for the company, as Utelite's net income was the highest of the past 10 years.

The following financial information is provided for your review regarding 2000:

1. The current ratio increased slightly to 3.20 from 3.02 in 1999. The 2000 current ratio is less than the December 1988 standard of 9.61, however Utelite still maintains a current ratio which is 167% higher than the Board's normal standard of 1.2 or greater.
2. The total liability to net worth ratio decreased in 2000 to .30 from .39, due to a reduction in liabilities and increase in net worth. The 2000 ratio is greater than the Board's December 1988 standard of .08 or less, but is far less than the Board's normal standard of 2.5 or less.
3. Net fixed assets decreased in 2000 by 1.5% due to depreciation in 2000 exceeding any additional new equipment. Fixed assets in 2000 are 212% above the 1988 level.
4. Tangible net worth increased by 9% in 2000 due to the realized profit. Tangible net worth is 176% above the 1988 level.
5. Utelite recorded improved net income in 2000 of \$538,473, in contrast to net income in 1999 of \$439,607. Net income has averaged \$234,291 annually during the last five years.

If you have any questions on the above comments or the attached financial ratios, please let me know.

Attachment

cc: John Baza

## Utelite Financial Ratio Review

	12/88	12/90	12/91	12/92	12/93	12/94	12/95	12/96	12/97	12/98	12/99	12/00
CUR ASSETS/CUR LIABILITIES	9.61	8.46	8.08	17.56	6.24	2.77	2.43	2.16	2.36	3.12	3.02	3.20
Normal std of 1.2 or greater												
Board req'd 12/88 maintained												
TOTAL LIAB./NET WORTH	0.08	0.07	0.10	0.03	0.08	0.13	0.18	0.65	0.82	0.52	0.39	0.30
Normal std of 2.5 or less												
Board req'd 12/88 maintained												
FIXED ASSETS	\$603,208	\$973,650	\$1,141,181	\$942,346	\$856,031	\$1,485,834	\$1,426,262	\$2,773,550	\$2,299,158	\$2,002,510	\$1,912,495	\$1,884,151
Normal std of \$20 million												
Board did not require												
TANGIBLE NET WORTH	\$1,030,746	\$2,077,873	\$2,226,354	\$2,299,031	\$2,391,802	\$2,440,981	\$2,406,078	\$2,608,347	\$2,066,071	\$2,306,260	\$2,617,496	\$2,843,417
Normal std of \$10 million												
Board did not require												
NET INCOME	\$66,018	\$859,584	\$317,529	\$535,435	\$340,936	\$280,836	\$231,760	\$330,121	(\$387,276)	\$250,532	\$439,607	\$538,000
For information only												

SLS

3/26/2001